PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY OF MIAMI BEACH, FLORIDA AND SANSON, KLINE, JACOMINO & COMPANY, LLP FOR PROFESSIONAL SERVICES IN INTERNAL AUDITS OF NON-PROFIT ORGANIZATIONS

THIS AGREEMENT made and entered into this // th day of March, 2004, by and between the CITY OF MIAMI BEACH, FLORIDA (hereinafter referred to as City), a municipal corporation, having its principal offices at 1700 Convention Center Drive, Miami Beach, Florida, 33139, and Sanson, Kline, Jacomino & Company, LLP (hereinafter referred to as Consultant), a limited liability partnership, whose address is 782 NW LeJeune Road, Suite 650, Miami, Florida 33126.

SECTION 1 DEFINITIONS

Agreement:

This Agreement between the City and Consultant.

City Manager:

The Chief Administrative Officer of the City.

Consultant:

For the purposes of this Agreement, Consultant shall be deemed to be an independent Consultant, and not an agent or employee of

the City.

Services:

All services, work and actions by the Consultant performed pursuant to or undertaken under this Agreement, as described in

Section 2.

Fee:

Amount paid to the Consultant to cover the costs of the Services.

Risk Manager:

The Risk Manager of the City, with offices at 1700 Convention Center Drive, Third Floor, Miami Beach, Florida 33139, telephone number (305) 673-7000, Ext. 6435, and fax number (305) 673-7000

7023.

SECTION 2 SCOPE OF WORK

The scope of work to be performed by Consultant is set forth in Exhibit "A," entitled "Scope of Services" (Services).

SECTION 3 COMPENSATION

3.1 FIXED FEE

Consultant shall be compensated for the Services, as set forth in Section 2 and Exhibit A, as follows: For internal audits of non-profit organizations, \$60 per hour.

3.2 **INVOICING**

Consultant shall submit an invoice, which includes the purchase order number and a detailed description of the Services provided.

3.3 METHOD OF PAYMENT

Payments shall be made for services satisfactorily rendered within thirty (30) days of the date of invoice, in a manner satisfactory to, and as approved and received by, the City. Consultant shall mail all invoices to:

City of Miami Beach Accounts Payable 1700 Convention Center Drive 3rd Floor Miami, Florida 33139

SECTION 4 GENERAL PROVISIONS

4.1 RESPONSIBILITY OF THE CONSULTANT

With respect to the performance of the Services, the Consultant shall exercise that degree of skill, care, efficiency and diligence normally exercised by recognized professionals with respect to the performance of comparable Services. In its performance of the Services, the Consultant's hall comply with all applicable laws, ordinances, and regulations of the City, Miami-Dade County, State of Florida, and Federal Government.

4.2 **PUBLIC ENTITY CRIMES**

A State of Florida Form PUR 7068, Sworn Statement under Section 287.133(3)(a) Florida Statute on Public Entity Crimes shall be filed with the City's Procurement Division, prior to commencement of the Services herein.

4.3 DURATION AND EXTENT OF AGREEMENT

The term of this Agreement shall be for a period of one year from the date this Agreement is executed by all parties hereto. The City may, at its sole option and

discretion, and upon written notice to Consultant, renew the Agreement for two (2) additional one year terms, subject to the same terms and conditions set forth herein.

4.4 TIME OF COMPLETION

The Services to be rendered by the Consultant shall be commenced upon receipt of a written Notice to Proceed from the City subsequent to the execution of the Agreement.

4.5 INDEMNIFICATION

Consultant agrees to indemnify and hold harmless the City of Miami Beach and its officers, employees and agents, from and against any and all actions, claims, liabilities, losses, and expenses, including, but not limited to, attorneys' fees, for personal, economic or bodily injury, wrongful death, loss of or damage to property, at law or in equity, which may arise or be alleged to have arisen from the negligent acts, errors, omissions or other wrongful conduct of the Consultant, its employees, agents, sub-consultants, or any other person or entity acting under Consultant's control, in connection with the Consultant's performance of the Services pursuant to this Agreement; and to that extent, the Consultant shall pay all such claims and losses and shall pay all such costs and judgements which may issue from any lawsuit arising from such claims and losses, and shall pay all costs and attorneys' fees expended by the City in the defense of such claims and losses, including appeals. The parties agree that one percent (1%) of the total compensation to the Consultant for performance of the Services under this Agreement is the specific consideration from the City to the Consultant for the Consultant's Indemnity Agreement.

The Consultant's obligation under this Subsection shall not include the obligation to indemnify the City of Miami Beach and its officers, employees and agents, from and against any actions or claims which arise or are alleged to have arisen from negligent acts or omissions or other wrongful conduct of the City and its officers, employees and agents. The parties each agree to give the other party prompt notice of any claim coming to its knowledge that in any way directly or indirectly affects the other party.

4.6 <u>TERMINATION, SUSPENSION AND SANCTIONS</u>

4.6.1 <u>Termination for Cause</u>

If the Consultant shall fail to fulfill in a timely manner, or otherwise violate any of the covenants, agreements, or stipulations material to this Agreement, the City shall thereupon have the right to terminate this Agreement for cause. Prior to exercising its option to terminate for cause, the City shall notify the Consultant of its violation of the particular terms of this Agreement and shall grant Consultant seven (7) days to cure such default. If such default remains uncured after seven (7) days, the City, upon three (3) days' notice to Consultant, may terminate this Agreement and the City shall be fully discharged from any and all liabilities, duties and terms arising out of/or by virtue of this Agreement.

Notwithstanding the above, the Consultant shall not be relieved of liability to the City for damages sustained by the City by any breach of the Agreement by the Consultant. The City, at its sole option and discretion, shall additionally be entitled to bring any and all legal/equitable actions that it deems to be in its best interest in order to enforce the City's right and remedies against the defaulting party. The City shall be entitled to recover all costs of such actions, including reasonable attorneys' fees. To the extent allowed by law, the defaulting party waives its right to jury trial and its right to bring permissive counter claims against the City in any such action.

4.6.2 <u>Termination for Convenience of City</u>

NOTWITHSTANDING SECTION 4.6.1, THE CITY MAY ALSO, FOR ITS CONVENIENCE AND WITHOUT CAUSE, TERMINATE AT ANY TIME DURING THE TERM HEREOF BY GIVING WRITTEN NOTICE TO CONSULTANT OF SUCH TERMINATION, WHICH SHALL BECOME EFFECTIVE SEVEN (7) DAYS FOLLOWING RECEIPT BY THE CONSULTANT OF THE WRITTEN TERMINATION NOTICE. IN THAT EVENT, ALL FINISHED OR UNFINISHED DOCUMENTS AND OTHER MATERIALS, AS DESCRIBED IN SECTION 2 AND IN EXHIBIT "A", SHALL BE PROPERLY ASSEMBLED AND DELIVERED TO THE CITY AT CONSULTANT'S SOLE COST AND EXPENSE. IF THE AGREEMENT IS TERMINATED BY THE CITY AS PROVIDED IN THIS SUBSECTION, CONSULTANT SHALL BE PAID FOR ANY SERVICES SATISFACTORILY PERFORMED, AS DETERMINED BY THE CITY AT ITS DISCERTION, UP TO THE DATE OF TERMINATION. PROVIDED, HOWEVER, THAT AS A CONDITION PRECEDENT TO SUCH PAYMENT, CONSULTANT SHALL HAVE DELIVERED ANY AND ALL DOCUMENTS, MATERIALS, ETC, TO CITY. AS REQUIRED HEREIN.

4.6.3 <u>Termination for Insolvency</u>

The City also reserves the right to terminate the Agreement in the event the Consultant is placed either in voluntary or involuntary bankruptcy or makes an assignment for the benefit of creditors. In such event, the right and obligations for the parties shall be the same as provided for in Section 4.6.2.

4.6.4 <u>Sanctions for Noncompliance with Nondiscrimination Provisions</u>

In the event of the Consultant's noncompliance with the nondiscrimination provisions of this Agreement, the City shall impose such sanctions as the City, Miami-Dade County, and / or the State of Florida, as applicable, may determine to be appropriate, including but not limited to, withholding of payments to the Consultant under the Agreement until the Consultant complies and/or cancellation, termination or suspension of the Agreement. In the event the City cancels or terminates the Agreement pursuant to this Subsection the rights and obligations of the parties shall be the same as provided in Section 4.6.2.

4.7 CHANGES AND ADDITIONS

Changes and additions to the Agreement shall be directed by a written amendment signed by the duly authorized representatives of the City and Consultant. No alteration, change, or modification of the terms of this Agreement shall be valid unless amended in writing, signed by both parties hereto, and approved by the City Commission of the City.

4.8 OWNERSHIP OF DOCUMENTS

All documents prepared by the Consultant pursuant to this Agreement are related exclusively to the Services described herein, and are intended or represented for ownership by the City. Any reuse distribution, or dissemination of same by Consultant, other than to the City, shall first be approved in writing by the City.

4.9 **INSURANCE REQUIREMENTS**

The Consultant shall not commence any work pursuant to this Agreement until all insurance required under this Section has been obtained and such insurance has been approved by the City's Risk Manager. The Consultant shall maintain and carry in full force during the term of this Agreement the following insurance:

- 1. Consultant General Liability in the amount of \$1,000,000.
- 2. Consultant Professional Liability in the amount of \$300,000.
- 3. Workers Compensation & Employers Liability as required pursuant to Florida statute.
- 4. The insurance must be furnished by insurance companies authorized to do business in the State of Florida and approved by the City's Risk Manager.
- 5. Original certificates of insurance for the above coverage must be submitted to the City's Risk Manager for approval prior to any work commencing. These certificates will be kept on file in the office of the Risk Manager, 3rd Floor, City Hall.
- 6. The Consultant is solely responsible for obtaining and submitting all insurance certificates for its sub-consultants.

All insurance policies must be issued by companies authorized to do business under the laws of the State of Florida. The companies must be rated no less than "B+" as to management and not less than "Class VI" as to strength by the latest edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the approval of the City's Risk Manager. Compliance with the foregoing requirements shall not relieve the Consultant of the liabilities and obligations under this Section or under any other portion of this Agreement, and the City shall have the right to obtain from the Consultant specimen copies of the insurance policies in the event that submitted certificates of insurance are inadequate to ascertain compliance with required overage.

4.9.1 Endorsements

All of Consultant's certificates, above, shall contain endorsements providing that written notice shall be given to the City at least thirty (30) days prior to termination, cancellation or reduction in coverage in the policy.

4.9.2 Certificates

Unless directed by the City otherwise, the Consultant shall not commence any services pursuant to this Agreement until the City has received and approved, in writing, certificates of insurance showing that the requirements of this Section (in its entirety) have been met and provided for.

4.10 ASSIGNMENT, TRANSFER OR SUBCONTRACTING

The Consultant shall not subcontract, assign, or transfer any work under this Agreement in whole or in part, without the prior written consent of the City.

4.11 **SUB-CONTRACTORS**

The Consultant shall be liable for the Consultant's services, responsibilities and liabilities under this Agreement and the services, responsibilities and liabilities of sub-contractors, and any other person or entity acting under the direction or control of the Consultant. When the term "Consultant" is used in this Agreement, it shall be deemed to include any sub-contractors and any other person or entity acting under the direction or control of Consultant. All sub-contractors must be approved in writing by the City prior to their engagement by Consultant.

4.12 <u>EQUAL EMPLOYMENT OPPORTUNITY</u>

In connection with the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex, age, and national origin, place of birth, marital status, physical handicap, or sexual orientation. The Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during their employment without regard to their race, color, religion, ancestry, sex, age, national origin, place of birth, marital status, disability, or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or termination; recruitment or recruitment advertising; layoff or termination; rates of pay, or other forms of compensation; and selection for training, including apprenticeship.

4.13 <u>CONFLICT OF INTEREST</u>

The Consultant agrees to adhere to and be governed by the Metropolitan Miami-Dade County Conflict of Interest Ordinance (No. 72-82), as amended; and by

the City of Miami Beach Charter and Code, which are incorporated by reference herein as if fully set forth herein, in connection with the Agreement conditions hereunder.

The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirectly which should conflict in any manner or degree with the performance of the Services. The Consultant further covenants that in the performance of this Agreement, no person having any such interest shall knowingly be employed by the Consultant. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefits arising therefrom.

4.14 PATENT RIGHTS; COPYRIGHTS; CONFIDENTIAL FINDINGS

Any patentable result arising out of this Agreement, as well as all information, specifications, processes, data and findings, shall be made available to the City for public use.

No reports, other documents, articles or devices produced in whole or in part under this Agreement shall be the subject of any application for copyright or patent by or on behalf of the Consultant or its employees or sub-contractors, without the prior written consent of the City.

4.15 NOTICES

All notices and communications in writing required or permitted hereunder may be delivered personally to the representatives of the Consultant and the City listed below or may be mailed by registered mail, postage prepaid (or airmailed if addressed to an address outside of the city of dispatch).

Until changed by notice in writing, all such notices and communications shall be addressed as follows:

TO CONSULTANT:

Sanson, Kline, Jacomino & Company, LLP

Attn: Richie C. Tandoc, CPA

782 NW LeJeune Road, Suite 650

Miami, Florida 33126

(305) 442-2470

TO CITY:

City of Miami Beach

Attn: Procurement Division 1700 Convention Center Drive Miami Beach, Florida 33139

(305) 673-7490

Notices hereunder shall be effective:

If delivered personally, on delivery; if mailed to an address in the city of dispatch, on the day following the date mailed; and if mailed to an address outside the city of dispatch on the seventh day following the date mailed.

4.16 <u>LITIGATION JURISDICTION/VENUE</u>

This Agreement shall be enforceable in Miami-Dade County, Florida, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for the enforcement of same shall lie in Miami-Dade County, Florida.

BY ENTERING INTO THIS AGREEMENT, THE CONSULTANT EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY CIVIL LITIGATION RELATED TO, OR ARISING OUT OF, THIS AGREEMENT.

4.17 <u>ENTIRETY OF AGREEMENT</u>

This writing and the Services embody the entire Agreement and understanding between the parties hereto, and there are no other agreements and understandings, oral or written with reference to the subject matter hereof that are not merged herein and superceded hereby. The Services and the Proposal Documents are hereby incorporated by reference into this Agreement.

4.18 <u>LIMITATION OF CITY'S LIABILITY</u>

The City desires to enter into this Agreement only if in so doing the City can place a limit on the City's liability for any cause of action for money damages due to an alleged breach by the City of this Agreement, so that its liability for any such breach never exceeds the sum of \$1,000. Consultant hereby expresses its willingness to enter into this Agreement with Consultant's recovery from the City for any damage action for breach of contract to be limited to a maximum amount of \$1,000.

Accordingly, and notwithstanding any other term or condition of this Agreement, Consultant hereby agrees that the City shall not be liable to the Consultant for damages in an amount in excess of \$1,000 for any action or claim for breach of contract arising out of the performance or non-performance of any obligations imposed upon the City by this Agreement. Nothing contained in this paragraph or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon the City's liability as set forth in Section 768.28, Florida Statutes.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their appropriate officials, as of the date first entered above.

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CITY OF MIAMI BEACH, FLORIDA

ATTEST:

By:

City Clerk

City Manager

FOR CONSULTANT:

SANSON, KLINE, JACOMINO AND COMPANY, LLP

WITNESS:

Bv:

M. CARHEL

Print Name

R_W

Drint Name

Signature

KICHIE TANDOC PAKTNER

Print Name / Title

APPROVED AS TO FORM & LANGUAGE & FOR EXECUTION

<u>z-7-0</u>

EXHIBIT "A"

SCOPE OF SERVICES:

Internal Audits of Non-Profits:

Audits are to be performed on non-profit organizations receiving funding from and / or through the City. This is the first year that services will be contracted with an outside vendor.

The scope of the work consists of examining the organization's accounting records, such as general ledgers, revenues and expenditure transactions, and other records as may be maintained by the organization, and the preparation of schedules and analyses of work to determine compliance with the applicable regulations of the funding received from the City. Detailed testing is performed on a sample basis.

Consultant is to work under the direction of the City's Internal Auditor by using internal audit programs for auditing non-profit agencies. Audit scope is to be determined for each audit by the Internal Auditor upon assignment. City forms and programs will be provided in electronic format. Each audit is completed by submission of workpapers with a draft audit report listing findings to the internal auditor for final review and approval.

The Internal Audit Department will assign these audits. It is anticipated that the total number of audits assigned to the Consultants for next fiscal year (03/04) would be approximately 4 to 6 audits depending upon funding.